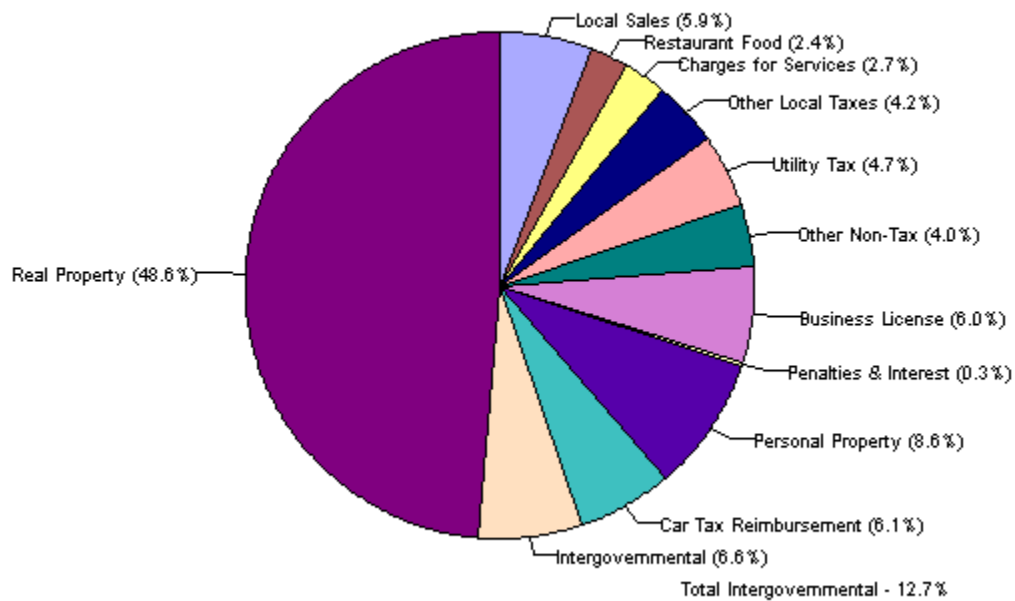


Revenue Summary

General Fund Revenue Distribution

Approved FY 2003

The pie chart below shows the distribution of estimated General Fund revenues for FY 2003, excluding the appropriation from fund balance.



Summary of Budgeted General Fund Revenues and Other Financing Sources

	FY 2001 <u>Actual</u>	FY 2002 <u>Budget</u>	FY 2002 <u>Revised</u>	FY 2003 <u>Approved</u>
General Fund				
General property tax revenue				
Real property tax	152,560,694	163,620,000	165,710,000	176,572,000
Personal property tax	35,222,613	29,597,220	38,236,000	31,184,000
Penalties and interest	<u>1,992,370</u>	<u>2,000,000</u>	<u>1,600,000</u>	<u>1,100,000</u>
Total general property tax revenue	189,775,677	195,217,220	205,546,000	208,856,000
Other local tax revenue				
Local sales tax	20,730,807	21,600,000	20,700,000	21,300,000
Utility tax	15,997,085	15,000,000	16,600,000	17,100,000
Business licenses	20,762,586	20,800,000	21,300,000	21,900,000
Motor vehicle licenses	2,247,172	2,300,000	2,300,000	2,300,000
Recordation	2,028,522	1,400,000	2,300,000	1,500,000
Tobacco	1,607,292	1,600,000	1,600,000	1,600,000
Transient lodging	5,827,803	6,200,000	4,700,000	5,250,000
Restaurant food	8,466,964	8,700,000	8,400,000	8,700,000
Other miscellaneous	<u>4,058,541</u>	<u>3,528,000</u>	<u>4,328,000</u>	<u>4,468,000</u>
Total other local tax revenues	81,726,772	81,128,000	82,228,000	84,118,000
Non-tax revenue				
Licenses, permits, and fees	4,065,880	3,800,000	4,000,000	4,000,000
Fines and forfeitures	4,116,463	4,376,000	3,782,000	3,882,000
Use of money and property	10,418,646	9,208,730	8,214,000	6,271,000
Charges for services	8,711,053	9,068,600	8,991,800	9,863,800
Intergovernmental revenues	37,679,452	43,508,000	45,291,000	45,905,800
Miscellaneous	<u>464,686</u>	<u>359,000</u>	<u>355,000</u>	<u>458,000</u>
Total non-tax revenue	<u>65,456,180</u>	<u>70,320,330</u>	<u>70,633,800</u>	<u>70,380,600</u>
Total General Fund revenues	336,958,629	346,665,550	358,407,800	363,354,600
Other financing sources (uses)				
Appropriation from City fund balance		3,506,000	0	9,816,624
Appropriation from ACPS - component unit fund balance		*	*	*
Total General Fund revenues and other sources	336,958,629	350,171,550	358,407,800	373,171,224
	=====	=====	=====	=====

* The ACPS - component fund balance appropriation is included in special revenue funds and not considered a General Fund revenue in the FY 2002 approved budget or the FY 2003 proposed budget. The appropriation is \$2,017,801 in FY 2002 and \$568,041 in FY 2003.

General Fund Revenue Summary

Total FY 2003 General Fund revenues are projected at \$363,354,600, which represents an increase of \$4,946,800, or 1.4 percent, as compared to the current FY 2002 revenue projections and 4.8 percent as compared to the FY 2002 adopted budget. The FY 2003 General Fund revenues assume continued growth in the real property tax base and a stable local economy, increasing at the projected rate of inflation, except as noted in the detailed discussion below.

Real Property Tax Revenues FY 2003 real property tax revenues are estimated at \$176.6 million, an increase of \$10.9 million, or 6.6 percent, as compared to the current FY 2002 projection. Real property tax revenues, which are currently projected to account for 46.2 percent of total FY 2002 General Fund revenues, are expected to account for 48.6 percent of total General Fund revenues in FY 2003. As required by State law, all parcels of real estate in the City are annually assessed at 100 percent of estimated fair market value.

As detailed in the Calendar Year 2002 Real Property Assessment Report, which is prepared by the Department of Real Estate Assessments, the total 2002 (calendar year) locally assessed tax base is approximately \$15.6 billion, an increase of \$1.6 billion, or 11.7 percent, as compared to the 2001 tax base. Including Public Service Corporation and railroad real property, which are assessed by the State, the total real property tax base has increased to approximately \$16.3 billion, an increase of \$1.64 billion, or 11.21 percent, as compared to the 2001 assessment. Of the total \$1.64 billion increase, approximately 19.2 percent (\$315.3 million) is the result of new growth, including \$105.5 million in new residential growth, and \$209.8 million in new commercial growth. The reassessments of existing properties increased \$1.32 billion, reflecting the strong market demand for residential properties, as well as the healthy condition of income-producing multi-family residential properties.

Real Property tax revenues for the first half of FY 2003 (the second half of calendar year 2002) are based on the 2002 real property assessment, a three cent decrease in the real property tax rate from \$1.11 to \$1.08, and a 49.00 percent collection rate for the second half of the 2002 tax levy. Real property tax revenues for the second half of FY 2003 (the first half of calendar year 2003) are based on a projected 5.0 percent increase in real property assessments next year, which assumes both continued new growth in the tax base and appreciation of existing residential and commercial properties, a \$1.08 real property tax rate, and a 49.50 percent second half collection rate. (See the Statement of Estimated Real Property Tax Revenues following this summary for this calculation.)

The real property tax revenues estimate has been reduced by approximately \$960,000 to reflect the current cost of the expanded senior citizen and disabled persons tax relief initiative adopted by City Council in FY 2002. This initiative increased income eligibility and benefits to eligible low income property owners. The program's total estimated cost in FY 2003 is \$960,000. In addition, delinquent taxes were increase by \$250,000 in FY 2003 to reflect the delay in collection of a portion of FY 2002 real property tax revenues, which were originally anticipated in FY 2002, but will be collected in FY 2003 instead. FY 2002 projected revenues have been decreased accordingly.

General Fund Revenue Summary

Personal Property Tax Revenues Personal property tax revenue consists of two sources: individual personal property, which is primarily vehicles, and business personal property, which includes motor vehicles, machinery, computers, and furniture. In FY 2003, the individual personal property tax base (prior to the tax changes discussed below) of vehicles is projected to increase by 5 percent as compared to the current projection. The business personal property tax base is projected to increase by 2 percent. The FY 2003 projection is based on actual collections through January 2002 but takes into account a one-time increase in revenues that occurred in FY 2002 in regard to how independent power plants were assessed.



The City assesses the personal property and collects a portion of these tax revenues directly. The remainder is reimbursed to the City by the State as part of the Personal Property Tax Relief Act and is recognized as Intergovernmental Revenue. Locally collected Personal Property Tax Revenues are budgeted in FY 2003 at \$31,884,000, compared to \$38,236,000 projected in FY 2002, a decrease of 16.6 percent. Including the State's reimbursement, which is budgeted in Intergovernmental Revenues and including delinquent tax collections, the FY 2003 approved budget includes a total of \$53,224,000 in revenue generated from the Personal Property tax base, as compared to \$59,236,000 projected in FY 2002, decrease of 10.1 percent. The decrease results after one-time revenues in FY 2002 are factored out of the base before applying the growth to personal property tax base. The locally-collected personal property tax is composed of \$14,398,000 in individual personal property (vehicles), \$15,386,800 in business personal property, and \$1,400,000 in delinquent personal property taxes and is based on current collections through January 2002, assuming 4 percent growth in individual personal property and 2 percent growth in business personal property. The projection for vehicle personal property was increased by \$300,000 and business personal property was increased by \$100,000 compared to the original projection based on actual revenues received through March 2002. The increase is primarily the result of an increase in the number of vehicles to which taxes have been billed and paid to date in FY 2002, and an increase in the value of both vehicles and business personal property.

Staff will continue to monitor personal property tax revenues closely during the year and report to Council in the context of the Monthly Financial Reports that are docketed for the second Council legislative meeting each month.

Intergovernmental Revenues State and federal aid that is not legally restricted to a specific program use is accounted for in the City's General Fund. FY 2003 General Fund intergovernmental revenues are budgeted at \$45,905,800, which represents an increase of \$614,800, or 1.4 percent, as compared to the current FY 2002 projection.

General Fund Revenue Summary

Budget actions at the State level regarding aid to localities coupled with extremely negative revenue forecasts during the development of the FY 2003 budget, have resulted in very conservative Intergovernmental Revenue forecasts. In addition, a State Aid contingency of \$0.7 million has been set aside in Contingent Reserves to offset losses in aid realized by departments in FY 2003.

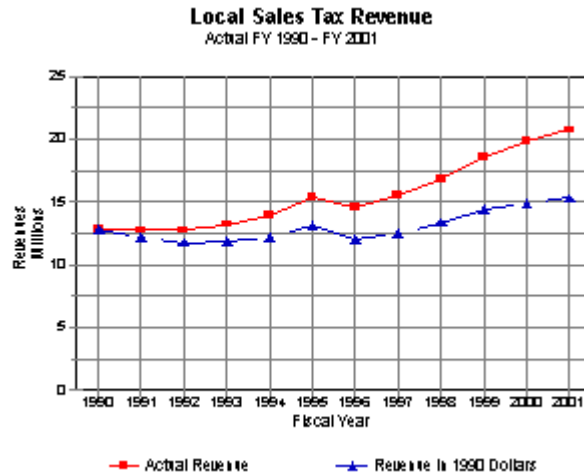
The following table provides information on budget detail estimates in the City's General Fund Intergovernmental Revenues. For additional information on State and federal aid that is restricted to specific programs or services, which is accounted for in the City's Special Revenue Fund, please refer to the Special Revenue Fund summary.

General Fund Intergovernmental Revenues

	FY 2001 Actual	FY 2002 Approved	FY 2002 Projected	FY 2003 Proposed
STATE AID				
HB 599 (law enforcement aid)	\$6,085,647	\$6,499,000	\$5,933,000	\$6,129,000
Personal Property Tax Reimbursement	13,348,837	20,124,000	21,000,000	22,040,000
Compensation Board Reimbursements for Sheriff and Other Constitutional Officers	5,873,814	5,480,000	5,789,000	5,794,000
Compensation Board Reimbursements for Treasury and Revenue Administration	579,954	538,000	580,000	559,000
State Prisoner Per Diem Payments	846,816	691,000	760,000	760,000
Wine Taxes and Alcoholic Beverage Control (ABC) Taxes	474,877	462,000	330,000	330,000
State Aid for Road Maintenance	4,629,220	4,630,000	4,870,000	5,064,800
Other State Aid	1,021,098	794,000	849,000	849,000
FEDERAL AID				
Federal Prisoner Per Diem	4,439,898	3,940,000	4,800,000	4,000,000
Other Federal Aid (Indirect costs recovered from federal grants)	379,291	350,000	380,000	380,000
TOTAL	\$37,679,452	\$43,508,000	\$45,291,000	\$45,905,800

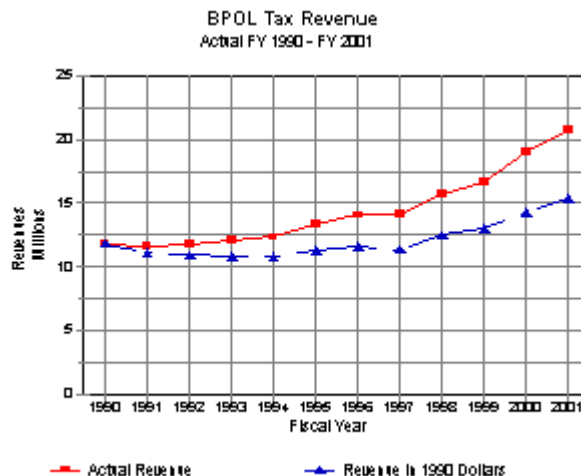
General Fund Revenue Summary

Local Sales Tax Revenues The total sales tax in Alexandria is generally 4.5 percent (grocery store food is somewhat less), which includes the locally levied sales tax of 1.0 percent and the State sales tax of 3.5 percent. The sales tax is collected by retail merchants when goods and services are purchased. Of the total 3.5 percent State sales tax remitted to the State, 1.0 percent is allocated to education Statewide, 0.5 percent is allocated to transportation projects in Northern Virginia, and the balance is distributed to other State-funded programs. FY 2003 local 1.0 percent sales tax revenues are budgeted at \$21,300,000, which is an increase of \$600,000, or 2.9 percent, as compared to the current FY 2002 projection. Local sales tax revenues as a proportion of total General Fund revenues, currently projected to account for 5.8 percent of projected FY 2002 General Fund revenues, are expected to account for 5.9 percent of total General Fund revenues in FY 2003.



Consumer Utility Tax Revenues The consumer utility tax is levied on all residential and commercial users of water, natural gas, electricity, and telephone service. The utility tax rates are detailed in the table titled "FY 2003 Proposed Tax Rates for Major Revenue Sources." FY 2003 consumer utility tax revenues are budgeted at \$17,100,000, which is an increase of \$500,000, or 3 percent, as compared to the FY 2002 projected revenues. Utility tax revenues as a proportion of total General Fund revenues, currently projected at 4.6 percent of total FY 2002 General Fund revenues, are expected to account for 4.7 percent of total General Fund revenues in FY 2003.

Business Professional and Occupational Licenses (BPOL) The BPOL tax is levied on those doing business in the City and is a fixed fee of \$50 for businesses with gross receipts ranging from \$10,000 to \$100,000. For businesses with gross receipts of \$100,000 or more, the BPOL tax is assessed as a percentage of the gross receipts at rates ranging from .0016 (contractors) to .0058 (professionals, such as doctors and lawyers). In May 1996, City Council approved the following changes to the City's BPOL tax ordinance: an increase from \$50,000 to \$100,000 in the



General Fund Revenue Summary

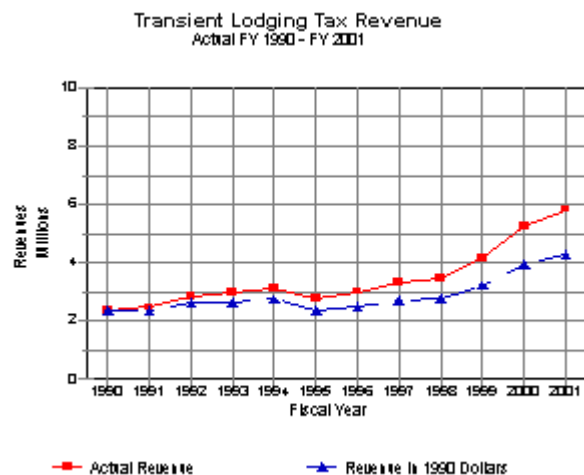
minimum gross receipts collected by a licensable business before a BPOL tax based on the amount of gross receipts is imposed, and an increase from \$30 to \$50 in the flat fee on businesses with gross receipts below the \$100,000 cap. In FY 2002 reductions in the late filing penalties were approved. FY 2003 business license tax revenues are budgeted at \$21,900,000, an increase of \$600,000, or 2.8 percent, as compared to the current FY 2002 revenue projection. Both the FY 2002 and FY 2003 projections were increased by \$500,000 based on revenues received through March 2002. Collections to date reflect an increase in the gross receipt of several business sectors, including the service and retail sectors. These increases were partly offset by a decrease in the gross receipts of wholesalers.

Motor Vehicle License Revenues The City levies an annual vehicle license tax on all motor vehicles, trailers, and semitrailers and issues a vehicle license decal as proof that the license tax has been paid. (The decal is also evidence of payment of personal property taxes since decals are not issued unless personal property taxes have been paid.) FY 2002 motor vehicle license revenues are budgeted at \$2,300,000, which is equal to the current FY 2002 projection.

Recordation Tax Revenues The local recordation tax is assessed at the rate of \$0.05 per \$100 of value for all transactions, including the recording of deeds, deeds of trust, mortgages, and contracts admitted to record by the Clerk of the Circuit Court. FY 2003 recordation tax revenues are budgeted at \$1,500,000. The FY 2002 projection of \$2.3 million, an increase of \$0.9 million compared to the FY 2002 budgeted amount, is attributable to several large commercial property sales at the beginning of the fiscal year, as well as additional home sales and refinancings. The FY 2003 budget takes into account these one-time impacts and assumes that recordation tax revenues will reflect prior year actuals.

Tobacco Tax Revenues The local tobacco tax is levied at a rate of \$0.30 per pack of 20 cigarettes sold in the City. FY 2003 tobacco tax revenues are budgeted at \$1,600,000, which is equal to the current FY 2002 projection. The current projection is based on the trend in actual revenues received during FY 2001 and the first seven months of FY 2002. The FY 2003 revenue estimate assumes continuation of this trend.

Transient Lodging Tax Revenues In FY 2000, the local tax levied on the amount paid for hotel and motel rooms was decreased from 5.65 to 5.5 percent. The rate reduction in FY 2000 was combined with the implementation of a \$1 per night lodging fee that is levied on the charge for the room in addition to the 5.5 percent transient lodging tax rate. FY 2003 transient lodging tax revenues are budgeted at \$5,250,000, which is an increase of \$550,000, or 11.7 percent, as compared to the current FY 2002 projection. The FY 2002 projection of \$4.7 million reflects



General Fund Revenue Summary

lower taxable occupancy in City hotels following the events of September 11. These revenues are subject to considerable uncertainty through the remainder of the fiscal year and are expected to fall significantly short of the FY 2002 budgeted amount of \$6.2 million. FY 2003 budget estimate assumes that transient lodging revenues will rebound partially, but will not return to pre-September 11 levels in FY 2003.

Restaurant Meals Tax Revenues The local restaurant meals tax rate is 3 percent. FY 2003 restaurant meals tax revenues are budgeted at \$8,700,000, which is an increase of \$300,000, or 3.6 percent, compared to the current FY 2002 projection. FY 2002 revenues are projected at \$8,400,000, nearly equal to FY 2001 actuals. Based on the uncertainty surrounding tourism-based revenue sources, staff is projecting that FY 2002 revenues will fall short of the FY 2002 budgeted amount, but that increases in FY 2003 will bring restaurant meals tax revenues back to pre-September 11 levels.



Other Miscellaneous Local Tax Revenues Other miscellaneous local tax revenues are budgeted at \$4,468,000, which is an increase of \$140,000, or 3.2 percent, as compared to the current FY 2002 revenue projections for this category. The majority of these tax revenues are projected to be equal to FY 2001 actual revenues. Other miscellaneous tax revenues include \$1,240,000 for E-911 tax revenues, which is based on the rate of 50 cents per line per month, and \$1,100,000 for net City revenues associated with the State's telecommunications tax of 63 cents per line per month. (Other taxes included in this category are bank and other franchise taxes, which are estimated at \$1,100,000, and the daily rental tax, which is estimated at \$20,000 in FY 2003). Revenues were increased by \$450,000 compared to the proposed budget, to reflect projections based on revenues received from telecommunications firms.

Licenses, Permits and Fees FY 2003 revenues from licenses, permits and fees are budgeted at \$4,000,000, which is equal to the current FY 2002 projection. The FY 2002 budget estimate for all licenses, permits and fees is based on the trend in actual revenues received through January 2002. The major component of this category, building permits, is expected to flatten through the remainder of FY 2002 and FY 2003. The FY 2003 projection is based on this expectation.

Fines and Forfeitures FY 2003 revenues from fines and forfeitures are budgeted at \$3,882,000, which is an increase of \$100,000 as compared to the current FY 2002 projections. Parking fines account for \$2,800,000, or approximately 72 percent of the revenue in this category. Revenues for the new Red Light Camera Pilot Enforcement program are budgeted at \$125,000, an amount equal to the FY 2002 projection, which is based on

General Fund Revenue Summary

finest collected through January 2002. The FY 2003 court fines and forfeitures are budgeted at \$825,000. Other fines included in this revenue category and false alarm fines and automobile booting removal fines.

Revenues from the Use of Money and Property FY 2003 revenues from the use of money and property are budgeted at \$6,271,000, which represents a decrease of \$1,943,000, or 23.7 percent, as compared to the current FY 2002 projection. This decrease is primarily attributed to a reduction in the estimate for interest revenue on General Fund investments, which is projected to decline due to current low interest rates. Interest on General Fund investments in FY 2003 are projected at \$3.7 million on an average cash balance of \$144 million at 2.6 percent. This revenue category also includes parking fees from the use of City lots and garages. For FY 2003 parking garage and lot fees are proposed to increase by \$267,000 primarily during the workday. Changes to the rates in the approved budget resulted in an additional \$17,000 in anticipated revenues.

Charges for Services The City Council's general user fee guidelines, adopted in FY 1994, provide that the City's user fees and charges for service shall be set in consideration of the City's ability (a) to recover the cost of providing the service, except in cases where the City's economic development goals or the income levels of affected residents or other market considerations have a bearing on fee setting, and (b) to maintain comparability with fees and charges in neighboring jurisdictions. FY 2003 revenues from charges for services are budgeted at \$9,863,800, which is an increase of \$872,000 compared to the FY 2002 projection. The increase is primarily attributed to an anticipated increase in Planning and Zoning fee revenue (\$700,000) following implementation of new rates. Additional revenues are also anticipated from the new soccer camp at Chinquapin (\$67,000), a proposed new fire system retesting program (\$36,000) and increases in towing charges (\$100,000).

Other Miscellaneous Non-tax Revenues FY 2002 other miscellaneous non-tax revenues, such as insurance recoveries and fees to offset special events expenditures, are budgeted at \$458,000, which is based on the FY 2002 projection plus an anticipated increase in insurance recovery revenues. Revenues were increased by an additional \$100,000 compared to the proposed revenues to reflect revenues projected to be received from a new fiber optic right of way license agreement.

Statement of Estimated Real Property Tax Revenues

For the Fiscal years ending June 30, 2002 and June 30, 2003

	Due Date	Assessed Value (thousands)	Tax Rate (per \$100)	Tax Year Gross Levy	Estimated Collection Rate	Net Tax Revenue
Fiscal Year 2002						
Second half tax year 2001						
Locally assessed real property	11/15/01	\$13,967,312	\$1.11	\$155,037,160	50.75%	\$78,681,359
Non-locally assessed property	11/15/01	432,351	1.11	4,799,091	50.75%	2,435,538
Total second half tax year 2001		<u>\$14,399,663</u>		<u>\$159,836,251</u>		<u>\$81,116,897</u>
First half tax year 2002						
Locally assessed real property	06/15/02	\$15,606,225	\$1.08	\$168,547,230	49.50%	\$83,430,879
Non-locally assessed property	06/15/02	433,768	1.08	4,684,691	49.50%	2,318,922
Total first half tax year 2002		<u>\$16,039,993</u>		<u>\$173,231,921</u>		<u>\$85,749,801</u>
Total fiscal year 2002 revenue						<u><u>\$166,866,698</u></u>
Fiscal Year 2003						
Second half tax year 2002						
Locally assessed real property	11/15/02	\$15,606,225	\$1.08	\$168,547,230	49.00%	\$82,588,143
Non-locally assessed property	11/15/02	666,455	1.08	7,197,711	49.00%	3,526,878
Total second half tax year 2002		<u>\$16,272,680</u>		<u>\$175,744,941</u>		<u>\$86,115,021</u>
First half tax year 2003						
Locally assessed real property	06/15/03	\$16,386,536	\$1.08	\$176,974,591	49.50%	\$87,602,423
Non-locally assessed property	06/15/03	666,455	1.08	7,197,714	49.50%	3,562,868
Total first half tax year 2003		<u>\$17,052,991</u>		<u>\$184,172,305</u>		<u>\$91,165,291</u>
Total fiscal year 2003 revenue /1						<u><u>\$177,280,312</u></u>

/1 Total fiscal year 2003 real property tax revenue of \$176,572,000 as stated in the General Fund Revenue Summary on page 4-27 reflects an additional \$250,000 resulting from a delay in collection of real property tax revenues original anticipated in FY 2002 and a reduction of \$958,000 to reflect the expanded senior citizen and disabled persons tax relief initiative adopted by City Council in FY 2002.

THIS PAGE INTENTIONALLY LEFT BLANK

Real Estate Tax Rates by Calendar Year

Shown below is a comparison of real estate tax rates from selected Northern Virginia jurisdictions over the past eighteen calendar years. In Virginia, the tax and calendar years coincide. Rates listed are per \$100 of assessed value.

In Alexandria for tax year 2002 (FY 2003), the estimated fiscal impact of the three cent reduction on the real property tax rate was \$4.8 million for a tax rate for the 2002 calendar year only, and \$7.3 million for a tax rate that carries until the end of FY 2003 (i.e., three payment periods of June 2002, November 2002, and June 2003).

REAL ESTATE TAX RATES*

YEAR	City of Alexandria	Arlington County	Fairfax County	Loudoun County	Prince William County**
1980	1.39	1.12	1.54	1.25	5.25 (1.73)
1981	1.37/1.35	.96	1.51	1.02	1.40
1982	1.37	.98	1.47	1.13	1.45
1983	1.41	.99	1.47	1.13	1.42
1984	1.41	.97	1.46	1.10	1.39
1985	1.39	.95	1.39	1.13	1.42
1986	1.38/1.37	.94	1.35	1.02	1.42
1987	1.34	.92	1.32	.88	1.30
1988	1.25	.89	1.30	.95	1.38
1989	1.10	.78	1.19	.88	1.38
1990	1.045	.765	1.11	.85	1.36
1991	1.045	.765	1.11	.94	1.36
1992	1.045	.82	1.16	.96	1.36
1993	1.07	.86	1.16	1.00	1.36
1994	1.07	.897	1.16	1.02	1.36
1995	1.07	.94	1.16	.99	1.36
1996	1.07	.96	1.23	1.03	1.36
1997	1.07	.986	1.23	1.06	1.36
1998	1.11	.998	1.23	1.11	1.36
1999	1.11	.998	1.23	1.11	1.36
2000	1.11	1.023	1.23	1.08	1.34
2001	1.11	1.023	1.23	1.08	1.31
2002	1.08	.993	1.21	1.05	1.23

* Does not reflect additional special tax district (fire, leaf collection, etc.) or town real estate tax rates (Fairfax County, Prince William County and Loudoun County).

** Before 1981, real property in Prince William County was assessed at 33% of fair market value. Since 1981, real property has been assessed at 100% of fair market value.

Real Property Assessments

Average Residential Tax Bills 1990 - 2002

The following two tables depict the average residential real estate tax bill and average single family real estate tax bill adjusted to 2002 dollars, using U.S. Bureau of Labor Statistics Consumer Price Index (CPI) information, and using real estate tax rates in place for each year.

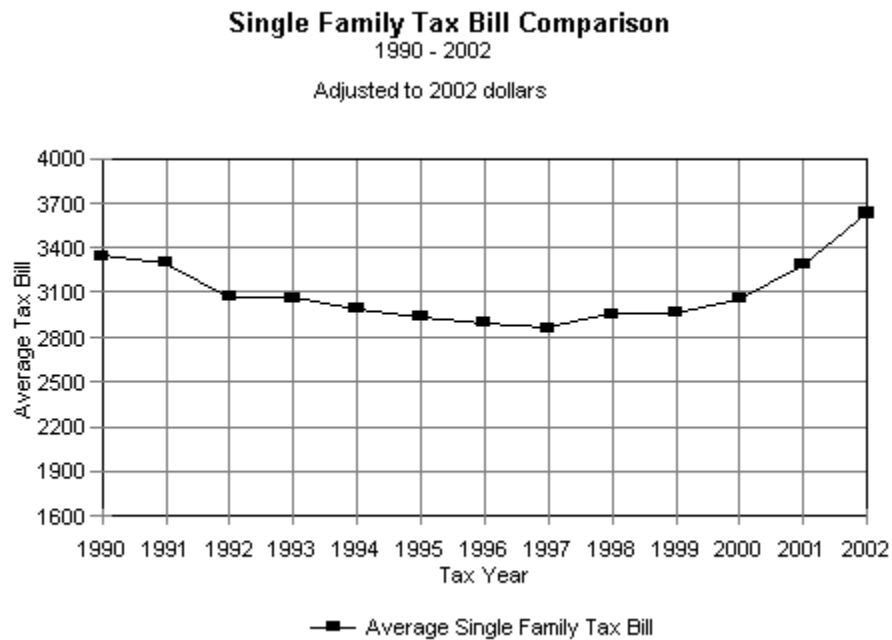
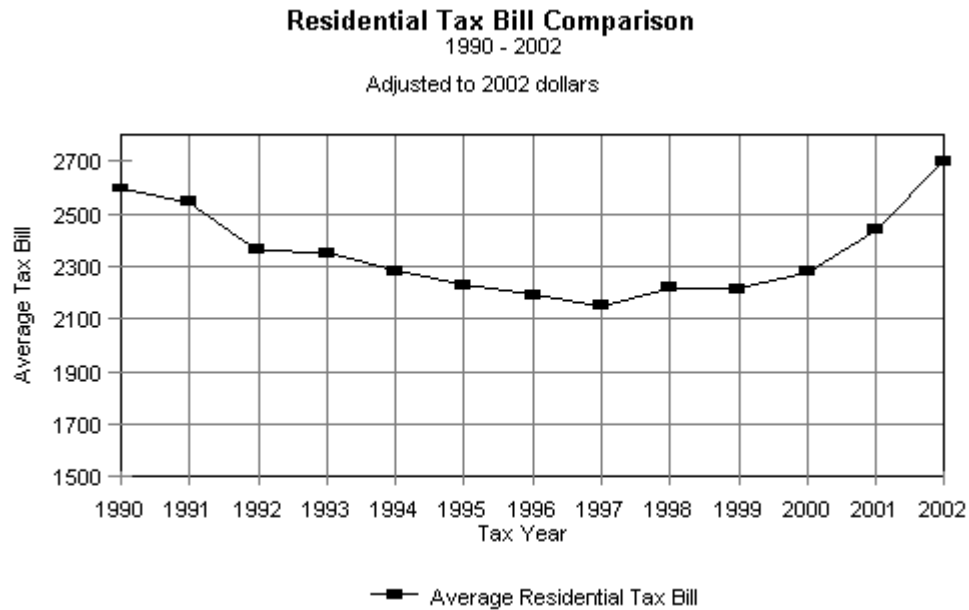
For the owner of an average residential unit (defined as single family homes, residential condominiums, and cooperatives), the City tax bill for 2002 at a \$1.08 tax rate would be \$2,684. In today's dollars the average tax bill in 1990 for the average residential unit was \$2,597.

For the owner of an average single family residential unit (defined as detached homes, semi-detached homes [duplexes and end town home units] and row houses), the City tax bill for 2002 at a \$1.08 tax rate would be \$3,600. In today's dollars the average tax bill in 1990 was \$3,348.

The fact that the average real estate tax bills in 2001 will be only a small percentage increase in today's dollars as in 1990 (3.4 percent for the average residential increase and 7.5 percent for single family units) is caused by property values that declined for most of the 1990's with increases in values generally starting in 1998, but not enough to offset the effects of inflation.

Real Property Assessments

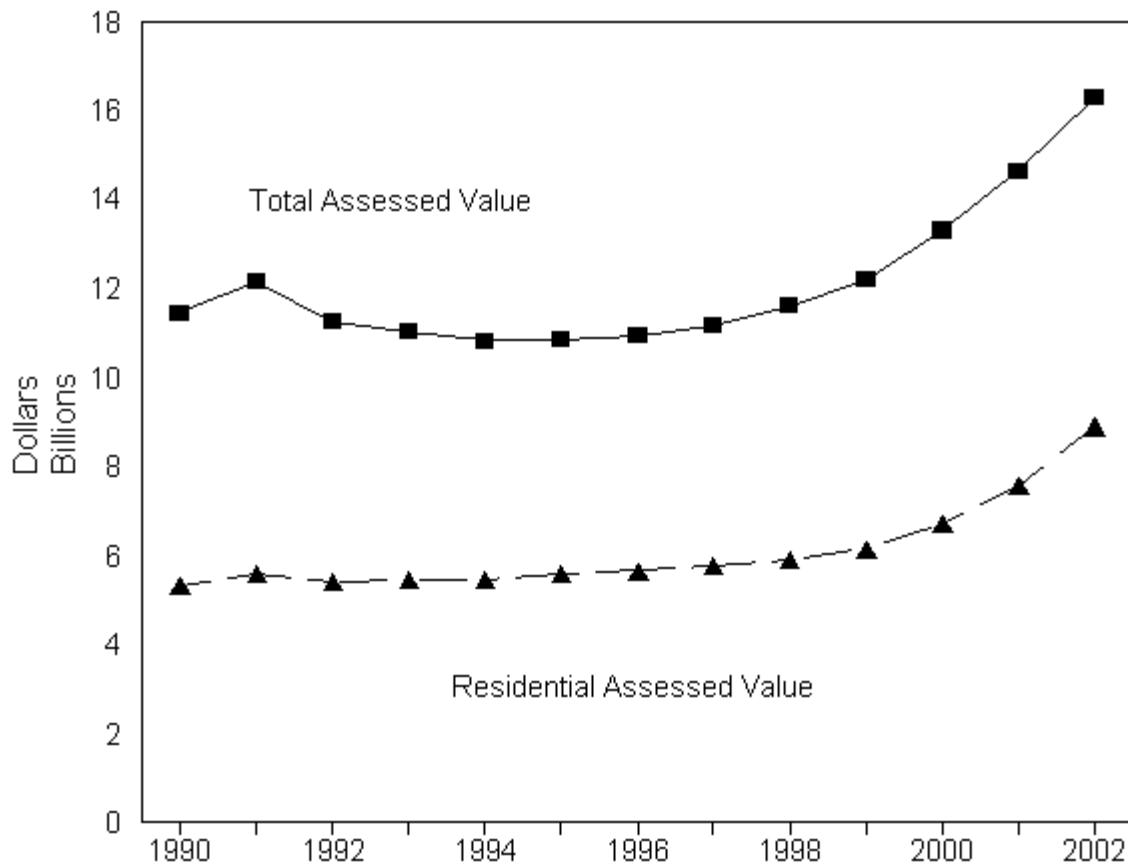
Average Residential Tax Bills 1990 - 2002



Real Property Tax Base

Total Assessed Value
Tax Years 1990 - 2002

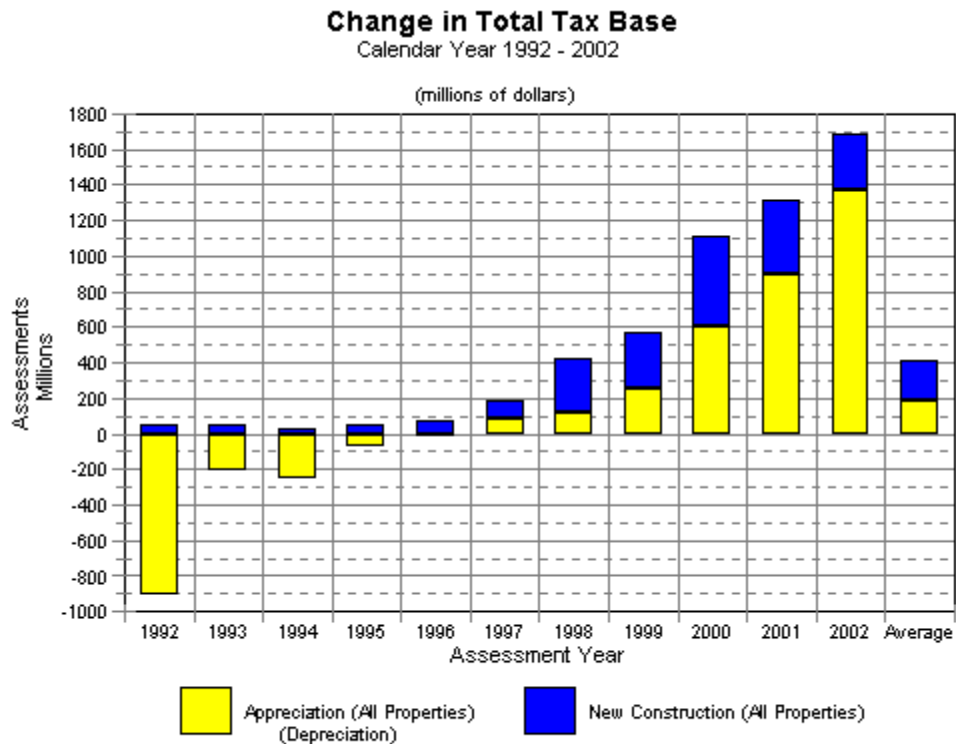
This graph displays the change in the City's real property tax base since 1990. The top line represents the total assessed value of the City's tax base and the bottom line represents the total assessed value of residential real property. After several years of commercial assessments accounting for the majority of the City's tax base, beginning in 1994, residential assessments (single family and condominiums) now account for more than half of the City's total assessed value. In 2002 residential property accounted for 54.7% of the City's real estate tax base.



Real Property Tax Base

Change in Total Tax Base Tax Years 1991 - 2002

The following chart compares total appreciation of existing properties with total new construction. As shown in the graph, increases to the tax base have been primarily the result of new construction. Tax year 2000 marked the first year since 1991 that appreciation of existing properties exceeded the value of new construction. In tax year 2002, appreciation significantly exceeds the value of new construction.



Source: Department of Real Estate Assessments
Prepared by: Office of Management and Budget

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

	1991 ^{/4}	1992 ^{/5}	1993 ^{/6}	1994	1995	1996
Residential Single Family	4,066,290	3,918,081	3,950,462	3,959,811	4,054,108	4,151,909
Residential Condominium	1,512,372	1,483,931	1,515,358	1,503,185	1,522,470	1,506,198
Commercial Multi-Family	1,493,358	1,417,842	1,335,147	1,337,722	1,331,188	1,326,307
Office/Retail Property	3,478,579	3,066,320	2,979,542	2,832,476	2,781,784	2,806,441
Other Commercial	912,989	679,893	621,746	585,345	558,318	562,198
Public Service Corporation ^{/1}	678,344	677,844	624,723	599,784	589,447	589,222
Total ^{/2}	<u>12,141,932</u>	<u>11,243,911</u>	<u>11,026,978</u>	<u>10,818,324</u>	<u>10,837,314</u>	<u>10,942,274</u>
Residential Single Family	33.5%	34.8%	35.8%	36.6%	37.4%	37.9%
Residential Condominium	12.5%	13.2%	13.7%	13.9%	14.0%	13.8%
Commercial Multi-Family	12.3%	12.6%	12.1%	12.4%	12.3%	12.1%
Office/Retail Property	28.6%	27.3%	27.0%	26.2%	25.7%	25.6%
Other Commercial	7.5%	6.0%	5.6%	5.4%	5.2%	5.1%
Public Service Corporation ^{/1}	5.6%	6.0%	5.7%	5.5%	5.4%	5.4%
Total ^{/3}	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential	45.95%	48.04%	49.57%	50.50%	51.46%	51.71%
Commercial	54.05%	51.96%	50.43%	49.50%	48.54%	48.29%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Sources: Assessment values are from the 1991-2002 Real Property Assessment Reports.

/1 -- 1991- 01 Certified Assessments from Public Service Corp. Land Book --
City of Alexandria. 2002 figures are estimated.

/2 -- Individual columns may not sum to the totals shown due to rounding.

/3 -- Figures in individual categories may not total 100% due to rounding.

/4-- 1991 assessments include \$226.8 million in non-locally assessed railroad property
subject to litigation.

/5-- 1992 assessments include \$188.5 million in non-locally assessed railroad property
subject to litigation.

/6-- 1993 assessments include \$106.6 million in non-locally assessed railroad property
subject to litigation.

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

	1997	1998	1999	2000	2001	2002
Residential Single Family	4,245,411	4,387,491	4,657,845	5,119,264	5,830,209	6,793,545
Residential Condominium	1,496,966	1,495,305	1,511,210	1,597,678	1,743,688	2,100,018
Commercial Multi-Family	1,336,457	1,376,604	1,500,100	1,584,496	1,734,225	2,019,831
Office/Retail Property	2,891,476	3,094,323	3,318,516	3,744,874	4,061,051	4,189,526
Other Commercial	589,465	630,872	553,705	608,320	598,139	503,304
Public Service Corporation ^{/1}	611,029	620,694	646,144	640,676	665,038	666,455
Total ^{/2}	<u>11,170,803</u>	<u>11,605,290</u>	<u>12,187,520</u>	<u>13,295,308</u>	<u>14,632,349</u>	<u>16,272,678</u>
Residential Single Family	38.0%	37.8%	38.2%	38.5%	39.8%	41.7%
Residential Condominium	13.4%	12.9%	12.4%	12.0%	11.9%	12.9%
Commercial Multi-Family	12.0%	11.9%	12.3%	11.9%	11.9%	12.4%
Office/Retail Property	25.9%	26.7%	27.2%	28.2%	27.8%	25.7%
Other Commercial	5.3%	5.4%	4.5%	4.6%	4.1%	3.1%
Public Service Corporation ^{/1}	5.4%	5.3%	5.3%	4.8%	4.5%	4.1%
Total ^{/3}	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential	51.41%	50.69%	50.62%	50.52%	51.76%	54.65
Commercial	48.59%	49.31%	49.38%	49.48%	48.24%	45.35
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Sources: Assessment values are from the 1991-2001 Real Property Assessment Reports.

/1 -- 1991-01 Certified Assessments from Public Service Corp. Land Book --
City of Alexandria. 2002 figures are estimated.

/2 -- Individual columns may not sum to the totals shown due to rounding.

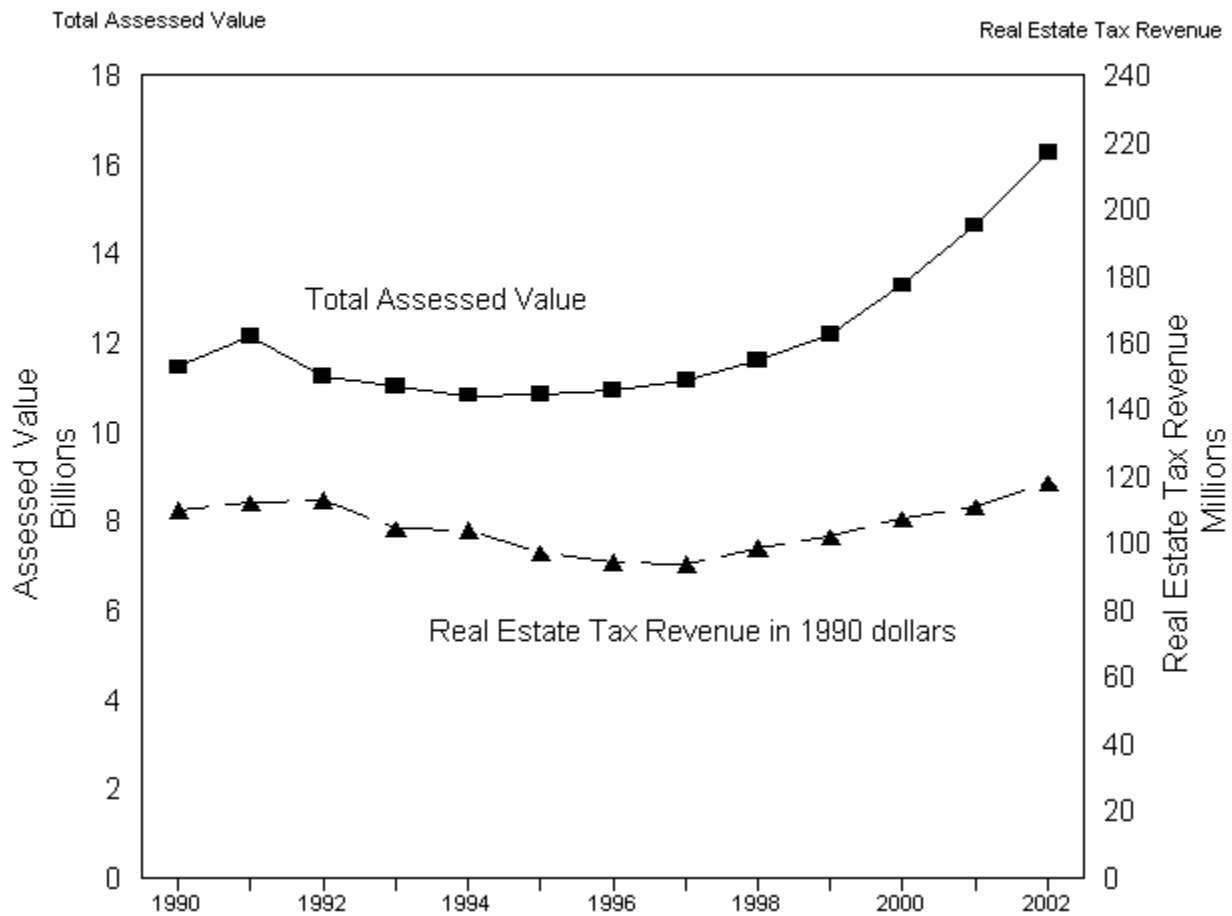
/3 -- Figures in individual categories may not total 100% due to rounding.

Real Property Assessments Compared To Real Property Tax Revenues

Tax Years 1990 - 2002

The following graph depicts the impact of real property tax rate increases on real property tax revenues. Adjusting for inflation, real property tax revenues would have increased from \$112.2 million in 1990 to \$118.1 million in 2001, for an average annual real dollar increase of 0.35 percent. In 2003, real property revenue would have been \$123.4 million in 1990 dollars. Actual real property revenues for FY 2003, which reflect the assessed value of tax year 2002, are projected to be \$176.6 million.

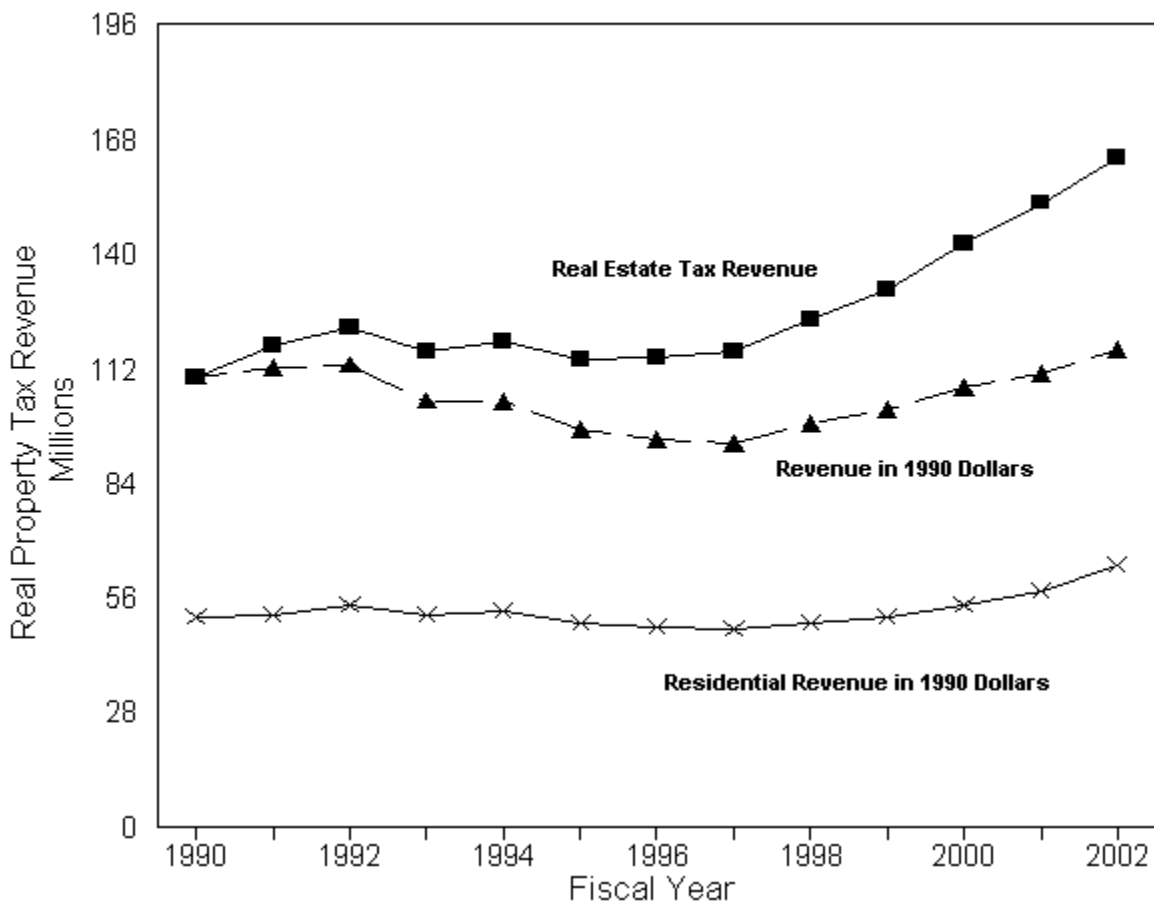
Note: Revenues are for the succeeding fiscal year.



Real Property Tax Revenue as Compared to Inflation

FY 1990 - FY 2002

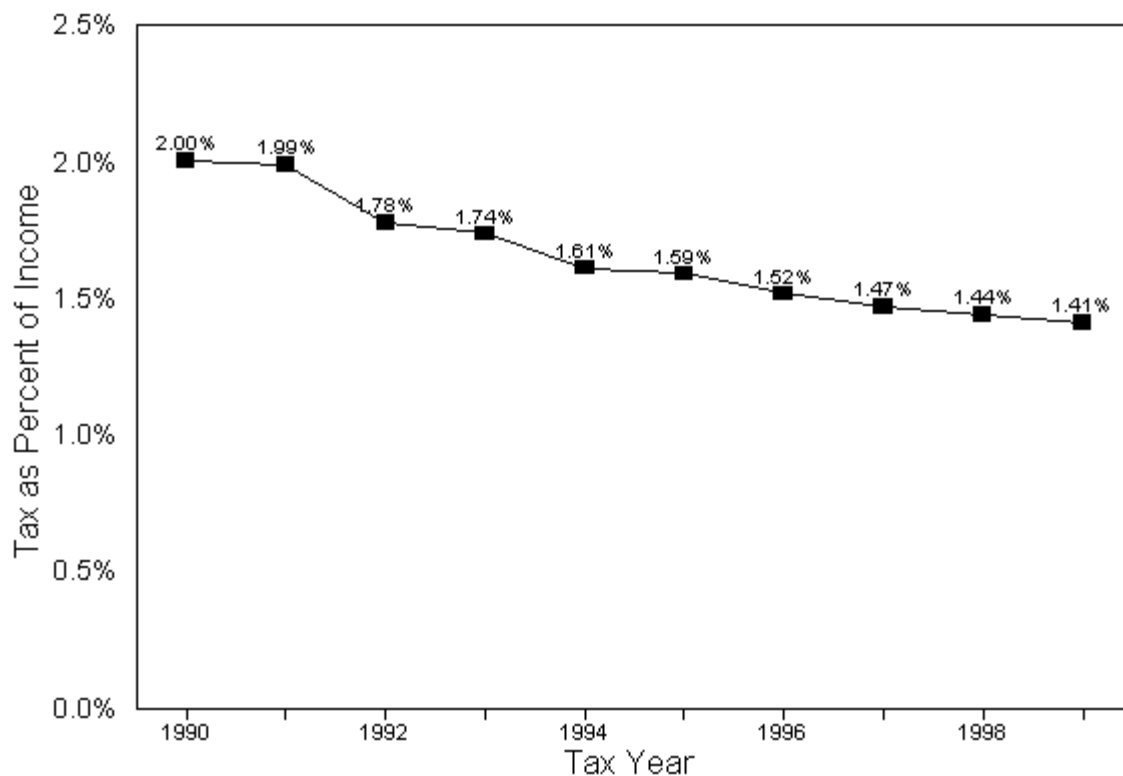
This graph shows the impact of inflation on real property tax revenues. The middle line in the graph shows real property tax revenues in constant 1990 dollars. As shown in the bottom line on this graph, which represents residential real property tax revenues in constant 1990 dollars, over the long-term there has been relatively little growth in residential real property tax revenue after adjusting for inflation and tax rate changes.



Per Capita Residential Real Estate Tax Revenue

Tax Years 1990 - 1999¹

This graph depicts the proportion of City resident personal income that goes to pay the real property tax. For purposes of this graph, residential tax revenues include real property taxes generated by single family homes, condominiums and apartments (multi-family housing²). As shown in the graph, the real property tax burden has declined as a proportion of income since 1990.



¹ Per capita income figures for 1999 are the most recent available at the time of printing.

² The City usually classifies apartments as commercial property because they are income-producing properties.

FY 2003 Approved Tax Rates for Major Revenue Sources

	<u>City Approved Rate</u>	<u>Virginia Code Reference</u>	<u>Maximum Tax Rate Allowed by State</u>
Real Estate Tax	\$1.08 per \$100 assessed value	58.1-3200	none
Personal Property Tax	\$4.50 per \$100 assessed value (machinery and tools)	58.1-3507	none
	\$4.75 per \$100 assessed value (tangible pers. prop.)	58.1-3506-b	none
	\$3.55 per \$100 assessed value (handicap vehicles)	58.1-3506.1	none
Utility Tax			
(for residential users)	15% of water service charge	58.1-3814	20% on 1st \$15
	15% of local service charge for telephone	58.1-3812	20% on 1st \$15
(\$2.40 maximum)	\$1.12 plus \$.012075 of each KWh	58.1-3814	\$3.00
(\$2.40 maximum)	\$1.28 plus \$0.124444 of each CCF of gas delivered	58.1-3814	\$3.00
(\$2.40 maximum)	\$1.28 plus \$0.050909 of each CCF of gas delivered to group meter consumers (\$2.40 max)	58.1-3814	\$3.00
	\$1.28 plus \$.023267 of each CCF of gas delivered to group meter interruptible consumers (\$2.40 max)	58.1-3814	\$3.00
(for commercial users)	15% of first \$150 of water service charge		20%
	25% of the first \$150 (on local phone service only)	58.1-3812	20%
(Commercial consumer)	\$0.97 plus \$0.004610 of each kWh delivered	58.1-3814	various
(Industrial consumer)	\$0.97 plus \$0.003755 of each kWh delivered	58.1-3814	various
(Commercial or industrial)	\$1.42 plus \$0.050213 of each CCF of gas delivered	58.1-3814	various
(Non-residential consumer)	\$4.50 plus \$0.00367 of each CCF of gas delivered	58.1-3814	various
Business and Professional Licenses		58.1-3700	
Gross Receipts Greater than \$10,000 and less than \$100,000	\$50.00	58.1-3703	\$50.00
Amusement and Entertainment	\$.36 per \$100 gross receipts	through	\$0.36
Professional	\$.58 per \$100 gross receipts	58.1-3735	\$0.58
Renting of Residential Property	\$.50 per \$100 gross receipts		**
Renting of Commercial Property	\$.35 per \$100 gross receipts		**
Finance Services	\$.35 per \$100 gross receipts	58.1-3706	\$0.58
Personal, Business and Repair Svcs	\$.35 per \$100 gross receipts		\$0.36
Retail Merchants	\$.20 per \$100 gross receipts		\$0.20
Restaurants	\$.20 per \$100 gross receipts		\$0.20
Filling Stations	\$.20 per \$100 gross receipts		\$0.20
Contractors	\$.16 per \$100 gross receipts		\$0.16
Wholesale Merchants	\$.05 per \$100 of purchases		\$0.05
Alcoholic Beverages	\$5-\$1,500-(flat fee assessed as part of business license for sales of alcoholic beverages; fee is dependent upon seating capacity and/or type of license)	4.1-233	various
Public Utilities:			
Telephone Co	\$1.03 per \$100 gross receipts	58.1-2690	**
Telegraph Co	\$2.00 per \$100 gross receipts	58.1-2690	**
Water, heat, electric and gas	\$.50 per \$100 gross receipts	58.1-3731	\$0.50
E-911 Tax	\$.50 per line per month	58.1-3813	allow cost recovery
Telecommunications Right of Way Tax	\$.60 per line per month	56-468.1	minimum of \$.50 per line per month; annual rate calc. by VDOT
Cigarette Tax	\$.30 on each package of twenty cigarettes	58.1-3840	none
Daily Rental Tax	1.0% of gross receipts	58.1-3510.1	1%
Local Sales Tax	1.0% added to the rate of the State tax imposed	58.1-605	1%
Transient Lodging Tax	5.5% of total amount paid for room rental, plus \$1 per night lodging fee	58.1-3840	none
Restaurant Meal Tax	3.0% on all food and drink sold in the City	58.1-3840	none
Recordation Tax:			
Deed of Bargain and Sale			
Grantor	\$.50 per \$1,000 of sales price (equals State max)	58.1-3800	1/3 of State Chrgs
Grantee	\$.50 per \$1,000 of sales price (equals State max)	58.1-3800	1/3 of State Chrgs
Deed of Trust	\$.50 per \$1,000 of loan amount (equals State max)	58.1-3800	1/3 of State Chrgs
Tax Penalty	10% or \$10, whichever is greater	58.1-3916	10% or \$10
Tax Interest	10% per annum until January 1, 2000 after January 1, 2000 10% per annum for 1 st year, 5% per annum thereafter. Equals refund rates.	58.1-3916	10%

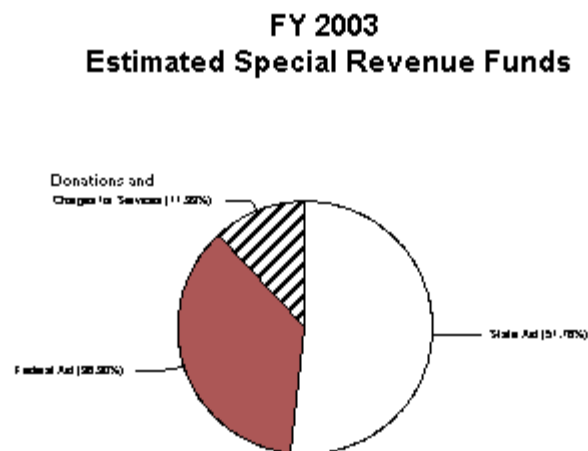
** The City's existing tax rate exceeds the State cap. The State cap was established after the City had set this rate.

THIS PAGE INTENTIONALLY LEFT BLANK

GRANT FUNDING SUMMARY AND SPECIAL REVENUE FUNDS

Grant Funding Summary and Special Revenue Funds

Special Revenue Funds account for revenue derived from specific sources (other than capital projects) that are restricted by legal and regulatory provisions to finance specific activities. As shown in the graph titled "FY 2003 Estimated Special Revenue Funds," the City's Special Revenue Fund budget of \$74,425,612 consists primarily of State and federal aid and discretionary State and federal grants (88.1 percent). This compares to a FY 2002 initial Special Revenue Fund budget of \$72,653,507. The 2.4 percent increase is partially due to increased estimated federal revenues of \$523,872 in the Office of Sheriff and \$1.0 million in the Schools.



The City Council approves, in advance, department and agency applications for discretionary grant funding. Programs and services funded by grant monies are authorized only for the term of the grant. Likewise, positions that are funded by grant sources are authorized only for the term of the grant and employees who fill these positions are notified of this condition of employment.

The table below summarizes the estimated FY 2003 Special Revenue Funds by department. Additional addendum tables have been included to provide more detailed information on federal funding for the Department of Mental Health, Mental Retardation and Substance Abuse (Addendum Table I) and the Department of Human Services (Addendum Table II). Estimates of Special Revenue Funds are based on the best available data at the time the budget is prepared. Generally, three to four times during the fiscal year, staff return to City Council with a supplemental appropriations ordinance to amend the Special Revenue Fund budget to reflect actual grant awards, to appropriate grants received that were not anticipated at the time the budget was prepared, to reduce the budget for grants that were anticipated but not actually awarded, or to appropriate donations or other sources of funding that differ from the original budget estimates. For additional information on grant funded activities, please refer to the individual department's budget chapter in this document.

Grant Funding Summary and Special Revenue Funds

FY 2003 ESTIMATED SPECIAL REVENUE FUNDS

Department	State Aid	Federal Aid	Charges, Donations and Other Sources	Total Special Revenue Funds
Commonwealth's Attorney's Office	0	\$381,405 ^{/a}	0	\$381,405
Law Library	0	0	\$58,000 ^{/b}	58,000
Other Public Safety	\$332,450 ^{/c}	0	0	332,450
Court Services	248,317 ^{/d}	0	0	248,317
Citizen Assistance	0	0	5,400 ^{/e}	5,400
Office On Women	41,707 ^{/f}	324,732 ^{/g}	22,975	389,414
Personnel	0	0	6,000 ^{/h}	6,000
Fire	263,000 ^{/i}	29,000 ^{/j}	2,500	294,500
Police	0	105,470 ^{/k}	30,000 ^{/l}	135,470
Sheriff	499,006 ^{/m}	523,872 ^{/n}	243,389 ^{/o}	1,266,267
Health	0 ^{/p}	0	0	0
MH/MR/SA	4,051,360	2,270,529	5,170,191	11,492,080 ^{/q}
Human Services	10,269,155	14,337,508	219,840	24,826,503 ^{/r}
Housing	0	1,750,000 ^{/s}	35,374 ^{/t}	1,785,374
Historic Alexandria	0	0	193,321	193,321
Recreation	20,869 ^{/u}	112,118 ^{/v}	37,000	169,987
Library	207,483	0	146,983	354,466
T&ES	168,482 ^{/w}	43,730 ^{/x}	0	212,212
Human Rights	0	25,000 ^{/y}	0	25,000
Schools	22,406,506	7,103,825	2,739,115	32,249,446
TOTAL	\$38,508,335	\$27,007,189	\$8,910,088	\$74,425,612

Grant Funding Summary and Special Revenue Funds

Notes:

- /a Includes \$190,750 for the federal grant for the Victim-Witness Program, \$65,697 for V-Stop Domestic Violence Intervention grant; and \$124,958 for the Community Prosecution grant.
- /b Court assessed Law Library filing fees.
- /c Virginia Juvenile Community Crime Control Act, which funds the Sheltercare program.
- /d Virginia Juvenile Community Crime Control Act monies, which funds the Day Reporting Program and other small programs.
- /e Donations for the Gyumri Sister City program.
- /f Includes \$3,500 for Project STEPOUT / MANHOOD, \$11,410 for the State Shelter Support grant, and \$26,797 for the State Violence Against Women Act grant.
- /g Includes \$99,666 for the Rape Victim Companion grant, \$9,155 for the federal Shelter Support grant, \$169,399 for the Domestic Violence Program, and \$46,512 for the V-STOP/ Sexual Assault Response and Awareness Program (SARA).
- /h Mann Municipal Education Charitable Trust Fund, which funds selected education courses for City employees.
- /i Includes \$153,000 for Fire Suppression Programs, \$15,000 for Public Education, and \$95,000 for Emergency Services.
- /j Federal grant for Emergency Management Assistance Program.
- /k Includes \$105,470 for the federal share of the Advanced Generation Interoperability for Law Enforcement (AGILE) project.
- /l Reimbursement for overtime expenditures from the Northern Virginia Regional Crack Task Force.
- /m For the Comprehensive Community Corrections Act (CCCA) programs and Pre-Trial Services Act (PSA) grant.
- /n Federal funding for temporary perimeter security at the Public Safety Center is planned.
- /o Program fees for the Alexandria Alcohol Safety Action Program (AASAP).
- /p It should be noted that State funding for the Health Department does not pass through the City's Treasury; therefore, this funding is not reflected in this table. For additional information, please refer to the Health Department section of this budget.
- /q For a description of the federally funded grants for this department, please refer to Addendum Table I in this section of the budget document.
- /r For a description of the federally funded grants for this department, please refer to Addendum Table II in this section of the budget document.
- /s Includes \$671,000 in federal HOME monies and \$1,079,000 in Community Development Block Grant (CDBG) monies (see the description following these tables for information regarding the federal CDBG program).
- /t Includes \$16,191 for the repayment of principal and interest from the Business Assistance Loan Program, \$16,783 in repayment of principal and interest from the Home Rehabilitation Program, and \$2,400 in donations.
- /u Includes \$5,000 from the Local Government Challenge Grant and \$15,869 from the Litter Control Grant.
- /v U.S. Department of Agriculture Summer Food service program.
- /w Includes \$140,080 for the Ridesharing Grant, and \$28,402 for the Transit Services Employer Outreach Program.
- /x Federal Air Quality Grant.
- /y Equal Employment Opportunities Commission Grant.

Grant Funding Summary and Special Revenue Funds

Addendum Table I
Department of Mental Health/Mental Retardation/Substance Abuse
Federally Grant-Funded Programs

	FEDERAL GRANT	FY 2003 PROPOSED BUDGET ESTIMATE
Mental Health (MH) Programs	Block Grant for Community Mental Health Services--Serious Emotionally Disturbed (Children)	\$258,488
	Block Grant for Community Mental Health Services--Serious Mental Illness (Adults)	399,975
	Projects for Assistance in Transition from Homelessness	25,062
	Welfare TANF Foster Care (Title IV E)	143,000
	Unification/Stabalization of Families	10,000
MH & SA Programs	U.S. Department of Housing and Urban Development	266,567
Substance Abuse (SA) Programs	Substance Abuse Residential Purchase of Services (SARPOS)	137,284
	Substance Abuse Prevention and Treatment-Alcohol	209,495
	Substance Abuse Prevention and Treatment-Drugs	262,913
	Substance Abuse Prevention and Treatment-HIV/AIDS	269,470
	Acquired Immunodeficiency Syndrome Grant	41,142
	High Intensity Drug Trafficking Area Treatment Grant--Residential and Outpatient	109,069
Mental Retardation Programs	Grants for Infants and Toddlers with Disabilities	138,064
	Total Federal Grants	\$2,270,529

Grant Funding Summary and Special Revenue Funds

Addendum Table II

Department of Human Services Federally Grant-Funded Programs

FEDERAL GRANT	FY 2003 PROPOSED BUDGET ESTIMATE
Welfare Administrative Cost	\$ 135,475
Welfare Income Maintenance Eligibility	1,982,757
Welfare Clerical Cost Pool	263,000
Welfare Refugee Assistance Resettlement	165,000
Welfare Adult Child Services	2,312,740
Welfare Aid to Dependent Children	60,060
Welfare TANF Foster Care	546,647
Welfare Adoption Subsidy	173,386
Welfare Purchased Services	1,438,642
Child Day Care Supplemental	3,028,427
Older Americans Act	124,865
Home Delivered Meals	66,633
Congregate Meals	61,938
In-Home Services to the Elderly	225,744
WIA Summer Youth Program	103,703
Head Start	1,627,289
Transitional Apartment Planning & Eviction Storage (CDBG)	162,000
Community Services Block Grant (CSBG\BASIC)	161,085
Virginia Refugee Resettlement Program (VRRP)	83,600
WIA Adult Training	289,704
Food Stamp Employment Program	63,460
WIA Dislocated Worker	91,997
Employment Services\VIEW Program	460,483
Foster Parent Training	105,868
Metro Regional	220,284
All other Federal grants (includes individual program grants under \$50,000)	382,721
Total Federal Grants	\$14,337,508

Community Development Block Grant

In accordance with the Housing and Community Development Act of 1974 (Public Law 93-383, commonly known as the Community Development Block Grant), the City of Alexandria has received \$35,105,000 through FY 2003 to develop viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income levels. The City's recommended FY 2003 allocation is \$1,241,000.

The program outlined on the following page is the approved FY 2003 CDBG program. The approved FY 2003 program will be funded, in part, with CDBG funds and program income carried over from previous years.

For additional information on community development, housing assistance, and homeless prevention programs, refer to the Office of Housing and the Department of Human Services budgets in Section VIII of this document.

Community Development Block Grant

I. COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS ALLOCATED TO ALEXANDRIA THROUGH FY 2003

<u>CITY CDBG PROGRAM YEAR</u>	<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1	1976	\$1,735,000
2	1977	1,735,000
3	1978	1,735,000
4	1979	1,587,000
5	1980	1,550,000
6	1981	1,556,000
7	1982	1,497,000
8	1983	1,280,000
9	1984	1,207,000
10	1985	1,144,000
11	1986	1,134,000
12	1987	966,000
13	1988	970,000
14	1989	914,000
15	1990	950,000
16	1991	903,000
17	1992	1,009,000
18	1993	1,069,000
19	1994	1,077,000
20	1995	1,172,000
21	1996	1,302,000
22	1997	1,265,000
23	1998	1,237,000
24	1999	1,206,000
25	2000	1,213,000
26	2001	1,206,000
27	2002	1,245,000
28	2003	1,241,000
Total		\$35,105,000

Community Development Block Grant

II. TWENTY-EIGHTH YEAR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (FY 2003 Approved)

Revenue Category

FY 2003 Funds Available CDBG	\$ 1,241,000
Carryover Funds (Prior Year CDBG Grant Funds)	473,000
FY 2003 Program Income	<u>16,783</u>
Total Program Revenues	<u>\$1,730,783</u>

Expenditure Category

A. Potomac East and Potomac West Programs

Blighting Influences Program	<u>118,453</u>
Potomac East and Potomac West Programs	\$118,453

B. Homeownership Assistance Program	102,032
Home Rehabilitation Loan Program	1,085,067
Fair Housing Testing Program	45,264
Winter Shelter	20,000
Transitional Assistance Program	82,000
Eviction Assistance and Furniture	<u>70,000</u>
City-wide Programs Sub-Total	\$1,404,363

C. Administration

Program Administration	194,676
Applications for Federal Programs	<u>13,291</u>
	\$207,967

Total Program Expenditures	<u>\$1,730,783</u>
----------------------------	--------------------

Net General Fund Budget for CDBG Programs	\$ 0
---	------

THIS PAGE INTENTIONALLY LEFT BLANK